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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 000449

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DEPT FOR AF/W, INR/AA  
NSC FOR HUDSON

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TAGS: [PGOV](#) [KCOR](#) [NI](#) [ELECTIONS](#)  
SUBJECT: PTDF - THE DISSENTING SENATE REPORT

REF: A. ABUJA 417  
[1](#)B. ABUJA 402  
[1](#)C. ABUJA 322  
[1](#)D. ABUJA 321  
[1](#)E. 06 ABUJA 2773

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Classified By: Ambassador John Campbell for reasons 1.4. (b & d).

[1](#)1. (C) SUMMARY. In conjunction with the Senate report on the PTDF, Senator Titus Olapitan issued an independent report taking issue with the scope of the investigation, the Committee's impartiality, and several of the specific conclusions. Both houses of the National Assembly have established new committees to continue the investigations. Keeping the investigation in committee keeps the issue open, while avoiding any immediate actions such as impeachments.  
END SUMMARY.

[1](#)2. (SBU) On March 1, Senator Titus Olapitan (AD from Ondo State), a member of the initial ad hoc Senate Committee reporting on the PTDF (Ref. A), issued a dissent report. Olapitan took issue with the scope and completeness of the investigation, the Committee's impartiality, methodologies used and several conclusions. In particular, Olapitan criticized the Committee for not concluding its investigation and leaving "fundamental trails and questions" unanswered.

[1](#)3. (C) Specific unanswered questions outlined in Olapitan's report are:

-- PTDF management asserted no funds were received from the Department of Petroleum Resources (DPR) in 2002, 2004, and [1](#)2005. However, the DPR testified that money was paid into the PTDF Reserve Account at the Central Bank (CBN) during this same period. What happened to this money?

-- Testimony indicates the PTDF that it has no access to information on inflows and outflows from the Reserve Account. Who manages this account and how funds are withdrawn?

-- The balance of more than 404 million USD in the PTDF Reserve Account at the CBN was reduced to only 5 million USD as of September 2006. How was this money spent or who authorized the expenditures?

-- PTDF management testified that they were unaware of an Inspectorate Account in the name of the PTDF at the CBN (with a balance of more than 70 million USD as of mid December). What is the function of this account and who manages it?

-- Representatives of the DPR testified that 222 million USD from the 2000 licensing round was paid to the federal government. This money has never been placed in the PTDF Reserve Account. Where is the 222 million USD?

-- Vice President Atiku testified that Obasanjo requested 20 billion Naira (156 million USD) be allocated to the PTDF for a specific project; however, Atiku alleged these funds were used for the third term campaign. The PTDF confirmed receipt of 10 billion Naira (78 million USD). What happened to the remaining 10 billion Naira?

-- The Committee did not look into the numerous multibillion Naira contracts awarded by the PTDF to determine their legitimacy, whether due process was observed, or whether the projects were ever carried out.

-- The Committee failed to follow-up on some accusations made by Vice President Atiku. In particular, it did not investigate the complete account statements for Marine Float, Mofas Shipping and NDTV.

-- The Committee did not investigate the linkages between UBA Plc (a bank) and President Obasanjo. In particular, UBA Plc received large deposits of PTDF funds and the PTDF gave a loan of 2.4 billion Naira (18.75 million USD) to UBA in a "Note Purchase Agreement." The Federal Government then borrowed money from UBA to purchase vehicles for public officials. As well, Obasanjo borrowed 200 million Naira (1.5 million USD) from UBA to acquire shares in Transcorp.

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-- The Committee did not speak out against Obasanjo's decision to raise the approval limit of the PTDF Executive Secretary from 700,000 (5,500 USD) Naira to 10 million Naira

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(78,000 USD).

15. (C) Although he did not provide specifics, Olapitan also alleged that during the public hearing phase of the investigation most of the Committee members believed that Globacom was established with the money from the PTDF deposit with Equitorial Trust Bank (ETB), as alleged by the EFCC. Olapitan claimed, however, that following a meeting of the Senate Leader, the Committee Chairman and a member of the Committee at the Villa, the Committee halted its pursuit of this line of questioning. (NOTE: Olapitan did not offer an opinion on the actual content of the Villa meeting.)

16. (SBU) On March 7, the Senate announced it would form another seven-member Review Committee to continue the investigation initiated by the first. The Committee was given one week to report back to the Senate with its findings. Concurrently, the House announced it would establish a new committee as well, noting that the previous committee had done little and had never submitted a report. House member Baba Detti Ahmed alleged publically that the former committee had not acted because of the danger associated with investigating top members of the administration.

17. (C) COMMENT. Keeping the investigation in committee allows the National Assembly to keep the topic open for discussion but forestalls any immediate action -- such as impeachments. This supports reports we have heard that the primary objective is a transition of power in May. Assembly members appear to be holding their options open should this handover not occur, while consciously choosing not to take actions that could lead to unrest and a call to postpone

elections. END COMMENT.  
CAMPBELL